SYSTEM FINANCIAL REPORT

2021

Office of the Washington State Auditor
Pat McCarthy

March 8, 2022

Board of Trustees
Central Washington University
Ellensburg, Washington

Report on Financial Statements

Please find attached our report on the Central Washington University's financial statements.

We are issuing this report for inclusion in the University's annual comprehensive financial report package, which will be issued by the University under the University's own cover.

This report is in addition to our regular financial statement audit report, which will be available on our website and includes the University's basic financial statements.

Sincerely,

Pat McCarthy, State Auditor

Olympia, WA

Americans with Disabilities

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Office of the Washington State Auditor
Pat McCarthy

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Board of Trustees
Central Washington University
Ellensburg, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Central Washington University, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Central Washington University Foundation (the Foundation), which represents 100 percent of the assets, net position, and the revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Central Washington University, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As discussed in Note 1, the financial statements of the Central Washington University, an agency of the state of Washington, are intended to present the financial position, and the changes in financial position, and where applicable, cash flows of only the respective portion of the activities of the state of Washington that is attributable to the transactions of the University and its aggregate discretely presented component units. They do not purport to, and do not, present fairly the financial position of the state of Washington as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 13 to the financial statements, legislation created a trust arrangement for assets dedicated to paying the Higher Education Supplemental Retirement Plan benefits to plan members. As a result, the University transitioned to accounting for the plan in accordance with Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Prior-Year Comparative Information

The financial statements include summarized prior-year comparative information for the Foundation. Such information does not include all the information required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2020, from which the summarized information was derived. Other auditors have previously audited the Foundation's 2020 basic financial statements, and they expressed an unmodified opinion in their report.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements as a whole. The Introductory and Appendix sections are presented for purposes of additional analysis and is not a required part of the basic financial statements of the University. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated March 8, 2022, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Sincerely,

Pat McCarthy, State Auditor

Olympia, WA

March 8, 2022

ANNUAL SYSTEM FINANCIAL REPORT

Funds associated with the following functions and revenue sources: housing, dining, services and activities fee, student union building fee, recreation center fee, wildcat shop, and parking fees.

Fiscal Year Ended June 30, 2021

Management Discussion and Analysis

The "System" is composed of the housing and dining fund, services and activities fee fund, student union building fee fund, recreation center fee fund, bookstore fund, and the parking fund of the University. The System was established in 2004 as a segment of the University with the intent of formalizing a grouping of similar entities for the purpose of generating revenue to repay bonded debt. By organizing in this fashion, the System is intended to support the pledge of revenue to the special revenue bonds issued.

The management discussion and analysis (MD&A) provides an overview of the financial position and activities of the System for the fiscal year end June 30, 2021. The MD&A focuses on the current year's activities, and the resulting changes and facts to assist readers in understanding the accompanying financial statements. The MD&A should be read in conjunction with the accompanying financial statements and notes to the financial statements. The financial statements, notes, and this discussion and analysis are the responsibility of CWU management.

Activities from the System's component units are included in the accompanying financial statements.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2021

- On campus occupancy was reduced to an annual rate of 40% due to the pandemic. Traditionally, the average annual occupancy is approximately 91%.
- The System received $9.7 million from the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) funding to replace lost revenue and help offset the financial impact of COVID-19. This amount is shown in non-operating revenue in accordance with Generally Accepted Accounting Principles (GAAP).
- Major renovations and improvements to Stephens-Whitney Hall were performed and completed. $3.2 million was in CIP from fiscal 2020 and an additional $3.4 million in fiscal 2021 for final construction costs.

The System's overall financial standing continues to be sound, with total assets and deferred outflows of $226.5 million and total liabilities and deferred inflows of $171.2 million. The System's net position totals $55.3 million.

Compared to the fiscal year 2020 figures, total assets and deferred outflows decreased by $10.8 million, while total liabilities and deferred inflows have decreased by $11.1 million. Net position has increased by $0.3 million.

Total operating revenues decreased by 36.6 percent or $21.1 million. This is primarily a result of the global COVID-19 pandemic. Due to government and University decisions, there was a significant decrease to students allowed on campus for in person classes and on campus housing.

Total operating expenses decreased by 28.3 percent, or $16.0 million. This is primarily due to reductions in professional staff, student staffing and cost of goods sold as student numbers on campus were reduced. Student programming costs also decreased.

During 2021, net position increased by $0.3 million. While operating income decreased by $4.1 million, this was offset by receiving $9.7 million in CRRSAA funding.

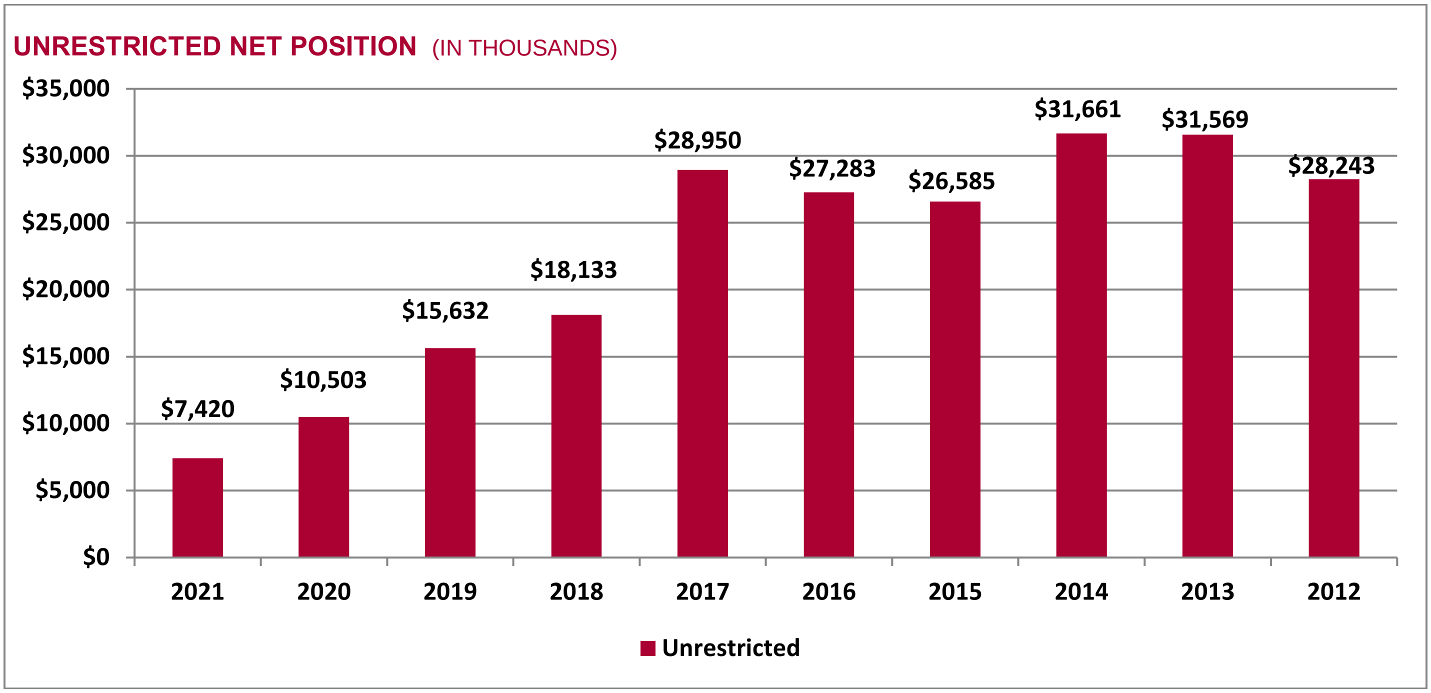
Unrestricted net position is one indicator of an organization's overall financial condition and an increase generally indicates improving fiscal conditions. During 2021, the unrestricted net position decreased by $3.1 million. This was primarily due to the global COVID-19 pandemic.

When comparing net position to prior years, it is important to note that the implementation of Governmental Accounting Standards Board (GASB) 68 in fiscal year 2015 reduced the net position by $5.1 million. Additionally, in fiscal year 2018, GASB 75 was implemented and reduced net position by $10.2 million. It is the University's position that these changes did not affect the actual fiscal health of the System. During fiscal year 2019, $2.5 million in capital expenses were used to complete the North Campus Sports Complex. While in fiscal years 2020 and 2021, $6.6 million was used towards the major renovations and improvements to Stephens-Whitney Hall. All capital projects were planned, approved and contracts were signed prior to the pandemic.

Unrestricted net position is often accumulated for designated purposes or is held in order to meet the CWU debt policy[1]. The following table and graph show the System's unrestricted net position for the ten most recent fiscal years.

UNRESTRICTED NET POSITION (IN THOUSANDS)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
UNRESTRICTED	$7,420	$10,503	$15,632	$18,133	$28,950	$27,283	$26,585	$31,661	$31,569	$28,243



USING THE ANNUAL REPORT

This annual report consists of a series of financial statements: The *Statement of Net Position*, the *Statement of Revenues, Expenses, and Changes in Net Position*, and the *Statement of Cash Flows.* These basic statements provide information on the System as a whole and present a view of the System's finances. The statements help answer the basic question, "Is the System, as a whole, financially better off or worse off as a result of the year's activities?"[2]

Other non-financial factors, such as the condition of the working assets (physical infrastructure), changes in student enrollment, and on-campus occupancy need to be considered in order to assess the overall health of the System.

STATEMENT OF NET POSITION

The Statement of Net Position presents the financial position of the System, at one point in time, and includes all assets and deferred outflows, and liabilities and deferred inflows of the System. Net position is the difference between assets and deferred outflows and liabilities and deferred inflows and is one way to measure the System's financial health, or financial position.

Assets and liabilities are classified as either current or non-current. Current assets are those resources that are convertible to cash within one year and are available to satisfy current liabilities. Current assets include cash and cash equivalents, short-term investments, accounts receivable, and inventory. Non-current assets are mainly long-term investments and property, equipment,

[1] Please see a full discussion of CWU's debt policy on page 11.
[2] Please refer to Note 1 on page 15 for activities included in the System's basic financial statements.

and intangibles. Current liabilities are those obligations of the System that are due within one year of the statement date. Non-current liabilities are comprised of long-term debt and other obligations of the System.

Deferred outflows of resources are a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are transactions that result in the acquisition of net assets in one period that are applicable to future periods.

Net position is reported in three categories: net investment in capital assets; restricted net position (both non-expendable and expendable); and unrestricted net position. Net investment in capital assets consists of capital assets less the balance of the outstanding debt incurred during the construction or improvement of those assets. Restricted net position is limited in use due to the constraints put in place by the donors or by law. Unrestricted net position includes assets that do not qualify as either invested in capital assets, net of related debt, or restricted net position. However, the University may have imposed restrictions on the use of some assets within this category, for example, reserving certain funds for bond payments, to support the emergency reserve fund designated by the Board of Trustees, or funds accumulated to complete capital renovation and construction.

The unrestricted net position balances shown are not only cash balances, but consist of investments, accounts receivable, inventories, and other non-liquid assets. The unrestricted net position balance fluctuates over time and should indicate the ability of the System to withstand external stresses. Decreases are not necessarily an indicator of trouble in the System; they may occur due to planned expenditures of funds set aside for a specific purpose, for example, to replace or renovate buildings or infrastructure. This type of decrease may be advantageous to the System and could indicate opportunities for the future.

The following table shows the Condensed Statement of Net Position at June 30, 2021 and June 30, 2020:

CONDENSED STATEMENT OF NET POSITION - JUNE 30, 2021 AND JUNE 30, 2020
(IN THOUSANDS)

	2021	2020	2021-2020 Dollar Change	Percent Change
Current assets	$26,355	$34,189	$ (7,834)	-22.9%
Capital assets, net	193,982	196,464	(2,482)	-1.3%
Other non-current assets	277	498	(221)	-44.4%
Total assets	**220,614**	**231,151**	**(10,537)**	**-4.6%**
Deferred outflows	5,869	6,150	(281)	-4.6%
Total assets and deferred outflows	**226,484**	**237,301**	**(10,817)**	**-4.6%**
Current liabilities	10,474	14,246	(3,772)	-26.5%
Non-current liabilities	157,102	163,176	(6,074)	-3.7%
Total liabilities	**167,576**	**177,422**	**(9,846)**	**-5.5%**
Deferred inflows	3,631	4,891	(1,260)	-25.8%
Total liabilities and deferred inflows	**171,207**	**182,313**	**(11,106)**	**-6.1%**
Net investment in capital assets	47,857	44,485	3,372	7.6%
Restricted	-	-	-	-
Unrestricted	7,420	10,503	(3,083)	-29.4%
Total net position	**$55,277**	**$54,988**	**$289**	**0.5%**
Current ratio (CURRENT ASSETS TO CURRENT LIABILITIES)	2.516	2.400		
Primary reserve ratio (EXPENDABLE NET ASSETS TO OPERATING EXPENSES)	0.18	0.19		

Total assets and deferred outflows were decreased by $10.8 million at the end of fiscal 2021. Net capital assets decreased by $2.5 million for net additions to property and equipment, less depreciation expense[3]. Current cash and equivalents decreased by $5.4 million from the preceding year, mainly attributed to expenditures for capital assets.

The current ratio, current assets divided by current liabilities, measures the System's ability to meet current obligations. The System's current ratio at June 30, 2021 was 2.5 to 1, which means the System's current assets are 2.5 times that of its current liabilities. The System's current ratio at June 30, 2020 was 2.4 to 1. This indicates that the System's ability to meet current liabilities slightly increased. Expendable net assets decreased as these funds were invested in the capital improvements as described in the financial highlights section.

[3] For further discussion, please see the Capital Asset and Long-Term Liabilities Highlights on page 6.

The primary reserve ratio is calculated by dividing unrestricted net position by operating expenses. This measures the ability of the System to continue operating at current levels, within current restrictions and constraints, lacking any future revenues. Proof of an adequate reserve ratio is often required to secure long-term financing. The System's primary reserve ratio at June 30, 2021 is 0.18 to 1, which indicates that, in an extreme emergency situation, the System could continue its current operations for approximately two months. In 2020, this ratio was at a ratio of 0.19 to 1. This ratio is a standard way to view the viability of an entity such as the System, however the effects of the implementations of GASB 68 and 75 have impacted the usefulness of comparing this figure for the System year-over-year.

CAPITAL ASSET AND LONG-TERM LIABILITIES HIGHLIGHTS

On June 30, 2021, the System had $194.0 million invested in net capital assets, as reflected in the following table. This represents a net decrease of $2.5 million or 1.3 percent during the fiscal year. This is primarily due to the reduction of construction in progress as the majority of capital projects were put on hold during fiscal 2021.

CAPITAL ASSETS

(IN THOUSANDS)

	2021	2020
Land	$ 1,804	$ 1,804
Equipment	6,661	6,334
Improvements and infrastructure	23,572	22,632
Buildings	237,657	231,074
Construction in progress	1,306	5,165
Art	40	40
Total	**271,040**	**267,049**
Total accumulated depreciation and amortization	**(77,058)**	**(70,585)**
Capital assets, net	**$193,982**	**$196,464**

Depreciable capital assets, net of depreciation, increased during fiscal year 2021 by $4.0 million (See Note 4). Construction in progress for projects underway totaled $1.3 million at June 30, 2021. The total depreciation expense was $6.5 million for the year ended June 30, 2021. The difference between the additions of working assets of $4.0 million and the depreciation expense of $6.5 million results in a decrease of $2.5 million in capital assets, net.

The construction in progress figure of $1.3 million primarily consists of projects relating to the Old Heat Building. Which is located on the southern end of the University.

The Deferred Outflows balance has three components.

The first component, Deferred Pensions (contributions), is a result of the adoption of GASB 68 and 73. This component represents the payments made by the System of $1.5 million on behalf of employees, subsequent to the measurement date of June 30, 2020.

The second component, Deferred OPEB Contribution relates to GASB 75 *Other Post-Employment Benefits* (OPEB). This component represents payments that the State of Washington may be required to pay in the future, based on actuarial estimates. This amount will be amortized and recognized as an OPEB expense in subsequent years.

The Deferred Gain or Loss on Refunding Outflows number represents costs associated with previous debt issuances. This accounting treatment is the result of GASB 63 and 65 which were adopted in 2013. This component of the Deferred Outflows balance was amortized and decreased by $200K on June 30, 2021 and will continue to be amortized on a straight-line basis through the term of the replacement bonds of 2017. (See Notes 9,10 and 11)

In total, liabilities decreased during fiscal 2021, from $177.4 million at the end of 2020 to a total of $167.6 million at the end of 2021. The majority of this decrease was in relation to the $5.6 million in principal payments on bonds for the System (See Note 6) and a decrease in accounts payable of $3.6 million.

As of June 30, 2021, $36.5 million (100 percent) of System revenues are pledged as security for outstanding System bonds.

NON-CURRENT OBLIGATIONS (IN THOUSANDS)

	2021	2020
Accrued leave liabilities	$ 222	$ 428
Net bond premium/discount, net of amortization	6,711	7,117
Bonds Payable, net of current portion	135,995	141,885
Pension Liability	4,187	3,933
OPEB Liability	9,987	9,813
Total non-current liabilities	**157,102**	**163,176**
Unrestricted net position	$7,420	$10,503
Viability ratio (UNRESTRICTED TO NON-CURRENT LIABILITIES)	**5%**	**6%**

The viability ratio measures the System's ability to retire non-current liabilities using available current resources. The ratio is calculated by dividing unrestricted net position by long-term debt. The System's viability ratio at June 30, 2021 was .05 to 1. This is relatively unchanged from the previous year's figure of .06 to 1.

Total net position increased $0.3 million during fiscal 2021. The total change in net position is equal to the year's operating activity less the effects of the costs of cash funded capital improvements and the financing activities, specifically the debt service payments. While the System experienced an annual operating loss of $4.1 million, the slight increase in net position is primarily the result of receiving $9.7 million from CRRSAA funds.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position provides information about the System's activities during the year by reporting all the revenues and expenses for the year. In the Statement of Revenues, Expenses and Changes in Net Position, the current year's revenues and expenses are accounted for, regardless of when cash is received or paid. When revenues and other support exceed expenses, the result is an increase in net position. When the reverse occurs, the result is a decrease in net position. The relationship between revenues and expenses may be thought of as the System's operating results.

Revenues and expenses are categorized as either operating or non-operating. Operating revenues are revenues earned by the System in exchange for its goods and services. These revenues include tuition and fees, grants and contracts, sales and services of educational departments and auxiliary enterprise revenues. Operating expenses are those incurred during the normal operations of the System and include: salaries and wages, operating expenses, depreciation and cost of sales and services. Non-operating revenues and expenses are those derived from non-exchange transactions. Examples include: interest paid on capital debt, insurance proceeds, investment income, interest rebates, and gains or losses on capital assets.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (IN THOUSANDS)

	2021	2020
Operating revenues	$36,518	$57,630
Operating expenses	40,576	56,595
Operating income (loss)	(4,058)	1,035
Total non-operating revenues net of expenses	4,347	(1,591)
Increase (Decrease) in net position	$289	$(556)
Net income margin (increase in net position to total revenue)	0.79%	-0.96%

As of June 30, 2021, operating revenues decreased 36.6 percent while operating expenses decreased 28.3 percent.

Net income margin is a measure of current year financial status. The margin is calculated by dividing the change in net position by total revenue. The System's net income margin for fiscal 2021 is 0.8 percent. With the financial relief provided from the CRRSAA and Management's efforts to reduce expenses, this allowed the System to successfully meet the required debt service coverage ratio.

The majority of the non-operating revenues relate to the $9.7 million from the CRRSAA and $616k from the Build America Bonds program (BABS). While the non-operating expenses of $6.2 million are related to the interest on indebtedness.

REVENUES

Revenues from auxiliary enterprises such as housing, bookstore, and dining services decreased 36.6 percent from fiscal 2020. The following table shows revenues by source for the fiscal years ended June 30, 2021 and June 30, 2020:

OPERATING REVENUES (IN THOUSANDS)

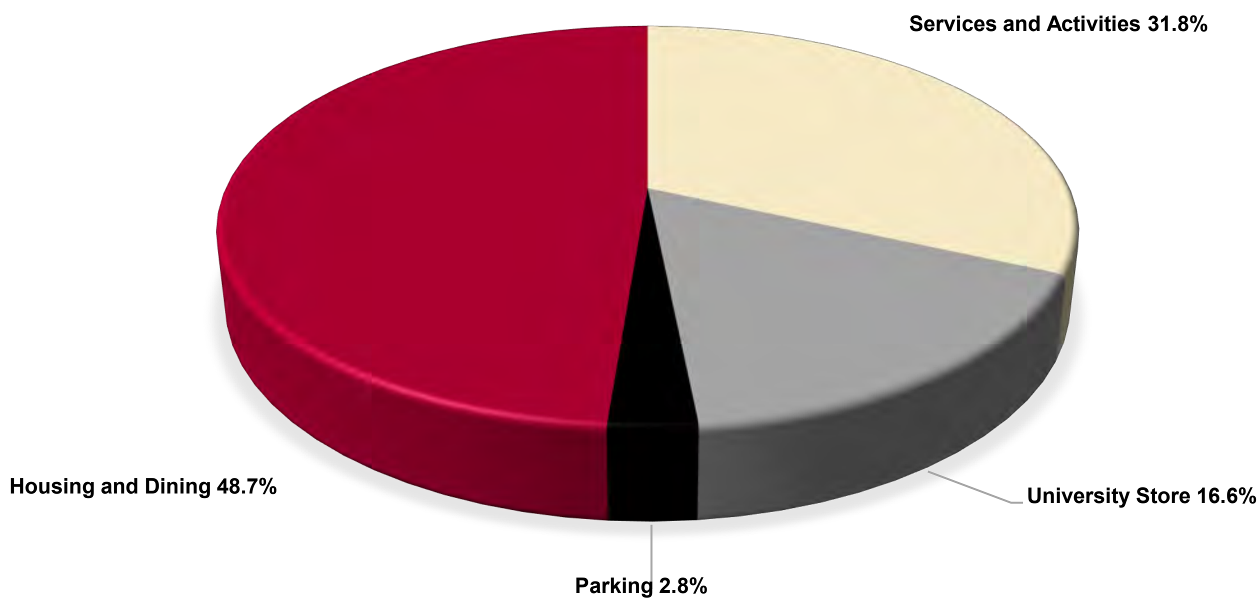
	2021	2020	2021-20 Dollar Change	Percent Change
Services and activities	$11,604	$13,116	$(1,512)	-11.5%
University store	6,080	7,910	(1,830)	-23.1%
Parking	1,034	1,309	(275)	-21.0%
Housing and dining	17,800	35,295	(17,495)	-49.6%
Total operating revenues	**$36,518**	**$57,630**	**$(21,112)**	**-36.6%**

The Services and Activities operating revenue decreased 11.5 percent which was primarily due to a decrease in sales and services over the year.

Parking Services operating revenue decreased by 21.0 percent, largely due to a decrease in permits and fines as the majority of the campus population was not allowed on campus in response to COVID-19.

The Housing and Dining rate increase from fiscal year 2019 to 2020 was 7.0 percent for Residence Halls and the Dining rate increase was 3.0 percent, these combined are an approximate aggregate increase of 5.0 percent. Due to the pandemic, occupancy was drastically reduced for the entire 2021 fiscal year, which resulted in a net decrease in revenue of 49.6 percent.

OPERATING REVENUES FY 2021



No major changes in these percentages have occurred from the previous fiscal year; Housing and Dining Services continues to generate the largest portion of operating revenue.

EXPENSES

Expenses from auxiliary enterprises such as housing, bookstore, and dining services decreased 28.3 percent from fiscal 2020. The following table shows expenses by natural classification for the fiscal years ended June 30, 2021 and June 30, 2020:

OPERATING EXPENSES (IN THOUSANDS)

	2021	2020	2021-20 Dollar Change	Percent Change
Salaries and Wages	$13,351	$19,361	$(6,010)	-31.0%
Employee Benefits	3,770	4,708	(938)	-19.9%
Goods and Services	15,769	24,256	(8,487)	-35.0%
Student Fee Waivers	173	375	(202)	-53.9%
Personal Services	171	180	(9)	-5.4%
Other	555	231	324	140.3%
Equipment	287	664	(377)	-56.8%
Travel	(25)	557	(582)	-104.5%
Depreciation	6,525	6,263	262	4.2%
Total	**$40,576**	**$56,595**	**$(16,019)**	**-28.3%**

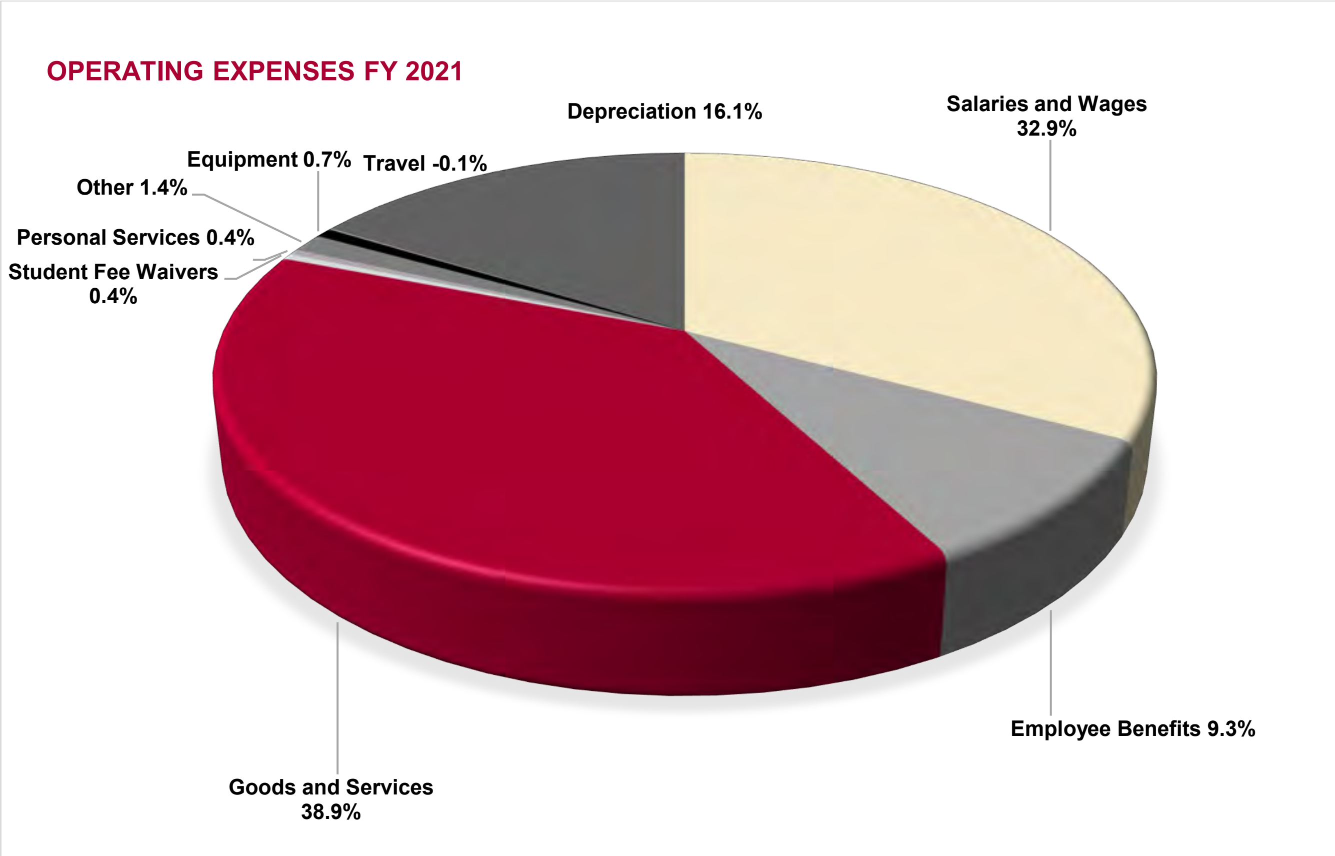
Salaries and wages expense for the System decreased by 31.0 percent in fiscal 2021 as a result of lower staffing levels due to limited operations (COVID-19), corresponding benefits decreased by 19.9 percent.

The total decrease in operating expenses of $16.0 million, was primarily associated with the collective efforts of cost reduction and a reduction in the student population due to COVID-19. Cost of goods sold was the largest decrease as sales were reduced due to a smaller student population.

Overall, operating expenses decreased 28.3 percent in fiscal 2021.

Depreciation expense increased by $0.3 million, primarily related to the construction of the new residence hall (Dugmore) which was in its first full year of operational use. There is no cash cost associated with depreciation, the expense is required to conform to GAAP.

The following chart depicts the uses of operating funds according to natural classification for fiscal 2021:



The allocation of operating expenses among the natural classification categories has not changed significantly from fiscal 2020.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows shows inflows and outflows of cash without regard to accrual items. Cash flows from operating activities on the Statement of Cash Flows will always differ from the operating gain or loss on the Statement of Revenues, Expenses, and Changes in Net Position (SRECNP) because of the inclusion of non-cash items, such as depreciation expense, on the SRECNP. Also, the SRECNP is prepared on the accrual basis of accounting, meaning that it shows revenues earned and expenses incurred.

The primary cash receipts from operating activities consist of tuition and fees, grants and contracts, and auxiliary income from housing, food service, and bookstore operations. Cash outlays include payment of wages and benefits, and operating expenses such as utilities, supplies, insurance, repairs and costs of goods sold through the dining and bookstore operations.

Cash flows from capital and related financing activities include all plant funds and related long- term debt activities (except depreciation and amortization), as well as capital gifts, grants, and appropriations. Purchase and sale of investments and income earned on investments are included in cash flows from investing activities.

The decrease in cash on hand of $6.8 million at June 30, 2021 was primarily related to cash funded capital improvements mentioned in the capital assets discussion which were partially offset by the cash generated as the result of operations during fiscal 2021.

The Condensed Statement of Cash Flows for the fiscal years ended June 30, 2021 and June 30, 2020 is shown below:

CONDENSED STATEMENT OF CASH FLOWS - JUNE 30 (IN THOUSANDS)

	2021	**2020**
Cash flows from operating activities	$ (1,246)	$ 7,350
Cash flows from noncapital financing activities	0	0
Cash flows from investing activities	1,653	(7,203)
Cash flows from capital and related financing activities	(5,769)	(22,845)
Increase (decrease) in cash and cash equivalents during the year	(5,362)	(22,697)
Cash and cash equivalents, beginning of year	15,454	38,151
Cash and cash equivalents, end of year	**$ 10,092**	**$ 15,454**

DEBT AND RESERVES POLICIES

The University's formal debt policy is CWUP 2-10-045, *Debt Issuance and Repayment*.[4] The policy is detailed and spells out many constraints intended to maintain the health of the University's debt program.

The University has a formal reserve policy, CWUP 2-10-105, *Reserve*. This policy defines the University's reserve philosophy and principles, clarifies purposes for holding reserves and identifies target reserve amounts for certain funds.

FINANCIAL CONTACT

The System's financial statements are designed to present users with a general overview of the System's finances and to demonstrate accountability. If you have questions about the report or need additional financial information, contact the Director of Financial Reporting, 400 E. University Way, Ellensburg, WA 98926, 509-963-2956.

[4] CWUP 2-10-045, Debt Issuance and Repayment is available at http://www.cwu.edu/resources-reports/cwup-2-10-045-debt-issuance-and-repayment

Annual System Financial Statements

CENTRAL WASHINGTON UNIVERSITY - SYSTEM

STATEMENT OF NET POSITION

AS OF JUNE 30, 2021

	2021
Assets	
Current assets	
Cash and cash equivalents	$10,091,505
Investments	9,837,451
Accounts receivable, net	5,095,253
Inventories	1,331,139
Total current assets	**26,355,348**
Non-current assets	
Cash and equivalents restricted for capital projects	-
Investment restricted for capital projects	-
Capital assets, net of depreciation	193,982,015
Pension assets, net	277,402
Total non-current assets	**194,259,418**
Deferred outflows	
Deferred pensions	1,489,027
Deferred OPEB contribution	1,503,071
Deferred gain or loss on refunding	2,877,097
Total deferred outflows	**5,869,195**
Total assets and deferred outflows	**$226,483,960**
Liabilities	
Current liabilities	
Accounts payable	1,117,701
Accrued liabilities	1,315,178
Deposits payable	990,676
Unearned revenues	547,707
Net Pension liability, current portion	27,881
Total OPEB liability, current portion	178,194
Current portion bond payable and premium	6,296,453
Total current liabilities	**10,473,790**
Non-current liabilities	
Construction accounts payable	-
Accrued leave liabilities	222,337
Bonds payable, non-current net of premium/discount	142,705,696
Net Pension liability	4,187,407
Total OPEB liability	9,987,007
Total non-current liabilities	**157,102,447**
Total liabilities	**167,576,237**
Deferred Inflows of Resources	
Deferred Inflows related to pensions	835,887
Deferred Inflows related to OPEB	2,794,980
Total Deferred Inflows	**3,630,867**
Total liabilities and deferred inflows	**171,207,104**
Net position	
Net investment in capital assets	47,856,963
Unrestricted	7,419,893
Total net position	**$55,276,856**

See Accompanying Notes to the Financial Statements

Annual System Financial Statements

CENTRAL WASHINGTON UNIVERSITY - SYSTEM
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	2021
Operating revenues	
Services and activities	$11,604,434
University store	6,079,756
Parking	1,033,838
Housing and dining	17,800,356
Total operating revenue	**36,518,384**
Operating expenses	
Services and activities	7,632,943
University store	6,820,384
Parking	305,777
Housing and dining	19,291,299
Depreciation	6,525,635
Total operating expenses	**40,576,038**
Operating income (loss)	**(4,057,654)**
Non-operating revenues (expenses)	
Investment income	218,636
Interest on indebtedness	(6,228,999)
Non-exchange transactional income	9,740,740
Non-operation income net of expenses	616,270
Net non-operating revenues (expenses)	**4,346,648**
Increase (decrease) in net assets	288,994
Net position, beginning of year	**54,987,862**
Net position, end of year	**$55,276,856**

See Accompanying Notes to the Financial Statements

CENTRAL WASHINGTON UNIVERSITY - SYSTEM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	2021
Cash flows from operating activities	
Auxiliary enterprise charges and student fees	$36,702,234
Payments to vendors	(24,306,292)
Payments to employees for salaries and benefits	(13,641,606)
Net cash provided by operating activities	**(1,245,664)**
Cash flows from non-capital financing activities	**-**
Cash flows from investing activities	
Purchases of Investments	1,434,138
Investment income	218,636
Other investment activity	-
Net cash provided by investing activities	**1,652,774**
Cash flows from capital and related financing activities	
Purchases of capital assets	(4,043,275)
Proceeds from sale of capital debt	-
Principal paid on capital debt	(5,645,000)
Interest paid on capital debt	(6,438,128)
Other capital activities	10,357,010
Net cash provided by capital and related financing activities	**(5,769,393)**
Net increase in cash and cash equivalents	(5,362,283)
Cash and cash equivalents, beginning of year	**15,453,788**
Cash and cash equivalents, end of year	**$ 10,091,505**

RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Operating income	**$(4,057,654)**
Adjustments to reconcile operating profit to net cash provided by operating activities	-
Depreciation expense	6,525,635
Loss On Disposal of Asset	-
Changes in assets and liabilities	
Accounts receivable	499,861
Inventories	537,685
Accounts payable	(3,620,206)
Other liabilities	
Accrued expenses	(84,766)
Deferred revenue	24,133
Deposits payable	(340,144)
Current non-cash GASB 68 expense	(524,201)
Other Current Liabilities	-
Construction accounts payable	-
Accrued liabilities	(206,007)
Net cash provided by operating activities	**$(1,245,664)**

See Accompanying Notes to the Financial Statements

NOTES TO FINANCIAL STATEMENTS

CENTRAL WASHINGTON UNIVERSITY (SYSTEM) – JUNE 30, 2021

NOTE 1—ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Central Washington University – System (the System) is composed of the housing and dining fund, the services and activities fee fund, the bookstore fund, and the parking fund of the University. Significant accounting policies are summarized as follows:

Financial Statement Presentation

The System's financial statements for the fiscal year ended June 30, 2021, are prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*, GASB Statement No. 35*, Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities.*

The financial statements include a statement of net position; a statement of revenues, expenses, and changes in net position; a statement of cash flows; and notes to the financial statements. Comparative totals for the year ended June 30, 2020 are presented where appropriate.

Basis of Accounting

The System's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the financial statements of a special purpose government entity engaged in business type activities to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to this same limitation.

Cash Equivalents

For purposes of the statements of cash flows, the System considers all highly liquid investments with an original maturity of 90 days or less to be cash equivalents.

Investments

The System accounts for its investments at fair value in accordance with the relevant GASB statements. Changes in unrealized gains or losses on the carrying value of investments are reported as a component of investment income in the statement of revenues, expenses, and changes in net position.

Accounts Receivable

Accounts receivable consists primarily of rents and charges for services provided to students. Accounts receivable are recorded net of estimated uncollectible amounts. The estimate is based on a fixed percentage of outstanding receivables.

Inventories

Inventories consist primarily of merchandise and consumables held by the System to carry out the System's primary function: providing services to students. They are valued at cost based on the retail method or the average cost method. Cost methods are applied on a basis consistent with prior years.

Non-current Cash and Investments

Cash and investments that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other non-current assets, are classified as non-current assets in the statement of net position.

Fair Value of Investments

The University records financial instruments at estimated fair value. Fair value accounting defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The fair value standard describes three levels of inputs that may be used to measure fair value:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.

Level 2 Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy. There have been no changes in valuation methodologies used at June 30, 2021 or June 30, 2020.

Where quoted market prices are available in an active market, investments are classified within Level 1 of the Valuation hierarchy. Level 1 investments include exchange-traded equities (mutual funds, stocks, and government bonds). If quoted market prices are not available, then fair market values are estimated by using pricing models, quoted prices of investments include foreign and corporate bonds. In certain cases where Level 1 or Level 2 inputs are not available, investments would be classified within Level 3 of the hierarchy. Realized and unrealized gains and/or loses on investments are included in the statement of revenue expenses and changes in net position.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts, net of depreciation. The University's capitalization policy includes all items with a unit cost of $5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expenses in the year in which the expenses were incurred.

Depreciation

Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, generally 15 to 50 years for building components, 20 to 50 years for infrastructure and land improvements, 5 to 7 years for equipment, 15 years for library books, and 3 to 15 years for intangibles. Inexhaustible resources such as the art collections and the library reserve collections are not depreciated. Donated capital assets are measured at acquisition value not fair market value. (See also Note 4 – Capital Assets).

Deferred Outflows of Resources

Deferred outflows of resources are a consumption of net assets by the government that is applicable to a future reporting period.

Deferred Inflows of Resources

Deferred Inflows of Resources are transactions that result in the acquisition of net assets in one period that are applicable to future periods.

Unearned Revenues

Unearned revenues include amounts received for rents, and fees for services recorded prior to the end of the fiscal year but related to the subsequent accounting period.

Compensated Absences

Employee vacation, compensatory time, and sick leave are accrued at year-end for financial statement purposes. The liability and expenses incurred are recorded as accrued leave liabilities for vacation, compensatory time, and sick leave payable in the statements of net position and as a component of operating expenses in the statements of revenues, expenses, and changes in net position.

Non-current Liabilities

Non-current liabilities include: (1) principal amounts of revenue bonds payable, notes payable, and capital lease obligations with contractual maturities greater than one year; (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as non-current assets.

Net Position

The System's net position is classified as follows:

Net Investment in Capital Assets: This represents the university's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are included as a component of Net Investment in Capital Assets.

Unrestricted: Unrestricted represents resources derived from student tuition and fees, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the university and may be used at the discretion of the governing board to meet current expenses for any purpose. The auxiliary enterprises are substantially self-supporting activities that provide services for students, faculty, and staff.

Income Taxes

The System, as part of CWU, is excluded from federal income taxes under Section 115(a) of the Internal Revenue Code, as amended.

Classification of Revenues

The System has classified its revenues as either operating or non-operating revenues according to the following criteria:

Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student room and board fees, (2) student fees, (3) parking fines or fees, (4) retail sales and (5) conference revenues.

Non-operating revenues: Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as investment income and the Build America Bond program (BABs) credit received from the US Treasury in association with the Bonds of 2010. Additionally, funds received from the Coronavirus Aid Relief and Economic Security Act (CARES) are reflected in the non-operating revenue in accordance with Generally Accepted Accounting Principles (GAAP).

Legislative Changes

Passing 2SHB 1661 created trust accounts for the contributions and investment returns, the fact that the passing of HB created new reporting under GASB 67/68 instead of 73, discount rate is now based on the long-term expected rate of return which reduced pension liability by almost 50% as the rate went from 2.21% to 7.4%. Also, the CREF investment experience for 2021 was significantly higher than expected, which also lead to the decrease in Total Pension Liability (TPL). In addition, as part of the funding policy Supplemental Retirement Plan (SRP) benefits are not expected to pay benefits until 2035 when they have accumulated enough assets. Therefore, SRP benefits are paid out of the operating budgets at each of the higher education institutions on a pay as you go basis.

NOTE 2—CASH AND CASH EQUIVALENTS; OTHER DEPOSITS; AND INVESTMENTS

At June 30, 2021, the carrying amount of the System's cash and cash equivalents were as follows:

CASH AND CASH EQUIVALENTS; OTHER DEPOSITS; AND INVESTMENTS

	June 30, 2021
Cash and equivalents, operating	$ 10,091,505
Cash and equivalents restricted for capital projects	-
Investments	9,837,451
Total	**$ 19,928,956**

NOTE 3—ACCOUNTS RECEIVABLE

Accounts receivable, due from other agencies and related allowance for uncollectible accounts consist of the following as of:

ACCOUNTS RECEIVABLE

	June 30, 2021
Services and activities	$ 805,803
University store	2,286,029
Parking	144,541
Housing and dining	2,085,607
Subtotal	**5,321,980**
Allowance for doubtful accounts	(226,727)
Net accounts receivable	**$ 5,095,253**

NOTE 4—CAPITAL ASSETS

Following are the changes in capital assets for the year ended June 30, 2021:

CAPITAL ASSETS

Non-Depreciable Capital Assets	Balance at June 30, 2020	Additions	Retirements	Adjustments	Balance at June 30, 2021
Land	$1,804,734	$ -	$ -	$ -	$1,804,734
Artwork	40,000				40,000
Construction in progress	5,165,123	3,663,876	7,523,370	2	1,305,631
Subtotal	7,009,857	3,663,876	7,523,370	2	3,150,365
Depreciable Capital Assets					
Buildings	231,074,224	6,583,101		(2)	237,657,323
Improvements and infrastructure	22,631,703	940,269			23,571,972
Equipment	6,334,197	386,609	59,691	(1)	6,661,114
Subtotal	260,040,124	7,909,979	59,691	(3)	267,890,409
Total Capital Assets	**267,049,981**	**11,573,855**	**7,583,061**	**(1)**	**271,040,774**
Less Accumulated Depreciation					
Buildings	60,769,646	5,067,033			65,836,679
Improvements and infrastructure	5,841,725	948,410		370,503	7,160,638
Equipment	3,974,235	510,192	52,482	(370,503)	4,061,442
Total Accumulated Depreciation	**70,585,606**	**6,525,635**	**52,482**	**-**	**77,058,759**
Capital Assets, Net of Depreciation	**$196,464,375**	**$5,048,220**	**$7,530,579**	**($1)**	**$193,982,015**

The total depreciation expense was $6,525,635 for the year ended June 30, 2021.

NOTE 5—ACCRUED LEAVE LIABILITIES

At termination of employment, employees may receive cash payment for all accumulated vacation and compensatory time. Employees who retire get 25% of the value of their accumulated sick leave credited to a Voluntary Employees' Beneficiary Association (VEBA) account, which can be used for future medical expenses or insurance purposes. The amounts of unpaid vacation and compensatory time accumulated by University employees are accrued as expenses when incurred. The amounts represent a liability to the University and are recorded and reported accordingly. The sick leave liability is recorded as an actuarial estimate of one-fourth the total balance on the payroll records. The accrued leave liability balance as of June 30, 2021 was $850,501.

NOTE 6—REVENUE BONDS AND NOTES PAYABLE

The following schedule of bonds payable provides a listing of outstanding debt at the end of fiscal year 2021 by the CWU System.

REVENUE BONDS AND NOTES PAYABLE

	Balance at June 30, 2020	Additions	Retirements	Principal Payments	Balance at June 30, 2021
CWU System bonds					
CWU System bonds of 2010 Series B	$ 28,480,000	$ -	$ -	$ (1,335,000)	$ 27,145,000
CWU System bonds of 2012	5,115,000	-	-	(355,000)	4,760,000
CWU System bonds of 2013	41,925,000	-	-	(2,260,000)	39,665,000
CWU System bonds of 2016	27,210,000	-	-	(1,040,000)	26,170,000
CWU System bonds of 2018	44,800,000	-	-	(655,000)	44,145,000
Total bonds Payable	**$147,530,000**	**$ -**	**$ -**	**$(5,645,000)**	**$141,885,000**
Bond Premium	7,523,601		(406,453)		7,117,148
Total	**$155,053,601**	**$ -**	**$ (406,453)**	**$(5,645,000)**	**$149,002,148**

The Central Washington University System Bonds Series 2010 B, taxable Build America Bonds issued in the original amount of $31,950,000 maturing in varying annual amounts to May 1, 2040. Principal and interest on these revenue bonds are collateralized by a pledge of revenues. The Series 2010 B bonds were issued under the American Recovery Act of 2008 Build America Bond Program as taxable bonds. Under this program the university expects to receive a subsidy from the United States federal government of 35% of interest paid through maturity. The subsidy received during Fiscal 2021 was $616,270. This amount is shown as non-operating revenue on the Statement of Revenue, Expenses and Changes in Net Position. A principal payment of $1,335,000 was required and paid during Fiscal 2021. A principal payment of $1,375,000 is scheduled for May 1, 2022.

Central Washington University System Bonds, Series 2012, issued in the original amount of $7,655,000 and mature in varying annual amounts to May 1, 2032. Principal and interest on these revenue bonds are collateralized by a pledge of revenues. A principal payment of $355,000 was required and paid during Fiscal 2021. A principal payment of $365,000 is scheduled for May 1, 2022.

Central Washington University System Bonds, Series 2013, issued in the original amount of $53,415,000 and mature in varying annual amounts to May 1, 2034. Principal and interest on these revenue bonds are collateralized by a pledge of revenues. A principal payment of $2,260,000 was required and paid during Fiscal 2021. A principal payment of $2,375,000 is scheduled for May 1, 2022.

Central Washington University System Bonds, Series 2016, issued in the original amount of $29,175,000 and mature in varying annual amounts to May 1, 2038. Principal and interest on these revenue bonds are collateralized by a pledge of revenues. A principal payment of $1,040,000 was required and paid during Fiscal 2021. A principal payment of $1,085,000 is scheduled for May 1, 2022.

Central Washington University System Bonds, Series 2018, issued in the original amount of $45,425,000 and mature in varying annual amounts to May 1, 2049. Principal and interest on these revenue bonds are collateralized by a pledge of revenues. A principal payment of $655,000 was required and paid during Fiscal 2021. A principal payment of $690,000 is scheduled for May 1, 2022.

Maturity Information

The scheduled maturities of the System revenue bonds are as follows:

DEBT SERVICE REQUIREMENTS
SYSTEM REVENUE BONDS

Fiscal Year	Principal	Interest	Total
2022	$ 5,890,000	$ 6,217,625	$ 12,107,625
2023	6,170,000	5,930,424	12,100,424
2024	6,455,000	5,624,365	12,079,365
2025	6,735,000	5,330,099	12,065,099
2026	7,045,000	5,022,167	12,067,167
2027-31	39,210,000	19,971,015	59,181,015
2032-36	34,200,000	11,851,781	46,051,781
2037-41	19,215,000	5,735,405	24,950,405
2042-46	9,970,000	2,626,800	12,596,800
2047-49	6,995,000	567,000	7,562,000
Total	**$141,885,000**	**$68,876,679**	**$210,761,679**

**Amounts do not reflect federal subsidies to be received for Build America Bonds Interest*

NOTE 7 – RETIREMENT PLANS

As employees of CWU, System permanent staff are eligible to participate in the Central Washington University Retirement Plan (CWURP), the Public Employees Retirement System (PERS) or The Law Enforcement Officers' and Fire Fighters' Retirement Plan (LEOFF). The System contributions to the CWURP fund are as follows:

RETIREMENT PLANS

Fiscal Year	Amount
2012	$539,475
2013	547,320
2014	697,897
2015	700,993
2016	839,731
2017	892,255
2018	1,027,418
2019	1,167,586
2020	1,290,450
2021	$1,022,146

The CWURP is a defined contribution plan administered by the University. Contributions to the plan are invested in annuity contracts or mutual fund accounts offered by the three fund sponsors. Employee contribution rates, based on age, are 5%, 7.5%, or 10% of salary. The University matches the contributions of employees. Within parameters established by the legislature, contribution requirements may be established or amended by Central Washington University's Board of Trustees.

PERS and LEOFF are a defined benefit pension plans administered by the State of Washington Department of Retirement Systems. The Office of the State Actuary, using funding methods prescribed by statute, determines actuarially required contribution rates for employees and employers.

NOTE 8 —NATURAL CLASSIFICATIONS

The System's primary purpose is providing services to students and conference participants. Expenses are reported in categories reflecting these activities on the statement of revenues, expenses, and changes in net assets. The following is a schedule of operating expenses by natural classification.

NATURAL CLASSIFICATIONS

	June 30, 2021
Salaries and wages	$13,350,832
Employee benefits	3,770,235
Personal services	170,860
Goods and services	15,769,352
Travel	(25,226)
Equipment	286,746
Student waivers	172,724
Misc.	554,880
Depreciation	6,525,635
Total	**$40,576,038**

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS

State Plan Description

The state of Washington implemented Statement No. 75 of the Governmental Accounting Standards Board (GASB) *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension* for fiscal year 2018 financial reporting. The state, consisting of state agencies and its component units as well as higher education institutions, is considered a single employer based on guidance provided in GASB Statement No.75. The State Health Care Authority (HCA) administers this single employer defined benefit other postemployment benefit (OPEB) plan.

Per RCW 41.05.065, the Public Employees' Benefits Board (PEBB), created within HCA, is authorized to design benefits and determine the terms and conditions of employee and retired employee participation and coverage. PEBB establishes eligibility criteria for both active employees and retirees. Benefits purchased by PEBB include medical, dental, life, and long-term disability.

The relationship between the PEBB OPEB plan and its member employers and their employees and retirees is not formalized in a contract or plan document. Rather, the benefits are provided in accordance with a substantive plan. A substantive plan is one in which the plan terms are understood by the employers and plan members. This understanding is based on communications between HCA, employers and plan members, and the historical pattern of practice with regard to the sharing of benefit costs.

The PEBB OPEB plan is funded on a pay-as-you-go basis with contributions set by the Legislature each biennium as a part of the budget process. The PEBB OPEB plan has no assets and does not issue a publicly available financial report.

The PEBB retiree OPEB plan is available to employees who elect to continue coverage and pay the administratively established premiums at the time they retire under the provisions of the retirement system to which they belong. Retirees' access to the PEBB plan depends on the retirement eligibility of their respective retirement system.

As of June 2020, The System membership in the PEBB plan consisted of the following:

Plan Participants	
Active Employees	181
Retirees Receiving Benefits	65
Retirees Not Receiving Benefits	8

Per RCW 41.05.022, retirees who are not yet eligible for Medicare benefits may continue participation in the state's non- Medicare community-rated health insurance risk pool on a self- pay basis. Retirees in the non-Medicare risk pool receive an implicit subsidy. The implicit subsidy exists because retired members pay a premium based on the claims experience for active employees and other non-Medicare retirees. The subsidy is valued using the difference between the age-based claims costs and the premium.

Retirees who are enrolled in both Parts A and B of Medicare may participate in the state's Medicare community-rated health insurance risk pool. Medicare retirees receive an explicit subsidy in the form of reduced premiums. Annually, the HCA administrator recommends an amount for the next calendar year's explicit subsidy for inclusion in the Governor's budget. The final amount is approved by the state Legislature. In calendar year 2021, the explicit subsidy was up to $183 per member per month, and it will remain $183 per member per month in calendar year 2022.

Presentations and Allocations

Allocation Method

OPEB implicit and explicit subsidies as well as administrative costs are funded by required contributions made by participating employers. State agency contributions are made on behalf of all active, health care eligible employees, regardless of enrollment status. Based on this funding practice, the allocation method used to determine proportionate share is each agency's percentage of the state's total active, health care eligible employee headcount.

The same headcount used in determining proportionate share is also used in determining the transactions subsequent to the measurement date, specifically, the retiree portion of premium payments made by agencies on behalf of active, health care eligible employees between the measurement date of June 30, 2020 and the reporting date of June 30, 2021. The portion of health care premiums attributed to retirees for both explicit and implicit subsidies is determined by using the Fiscal Year 2021 4th Quarter Update in the PEBB Financial Projection Model (PFPM) from the State Health Care Authority.

Total OPEB Liability

As of June 30, 2021, components of the calculation of total OPEB liability determined in accordance with GASB Statement No. 75 for The System are represented in the following table:

Proportionate Share (%)		**0.1366277508%**
Service Cost	$	349,364
Interest Cost		292,248
Differences Between Expected and Actual Experience		(44,784)
Changes in Assumptions		189,442
Changes of Benefit Terms		-
Benefit Payments		(139,144)
Changes in Proportionate Share		(168,819)
Other		(297,676)
Net Change in Total OPEB Liability		180,630
Total OPEB Liability - Beginning		9,984,570
Total OPEB Liability - Ending	**$**	**10,165,200**

Deferred Inflows and Deferred Outflows Schedule

As of June 30, 2021, the deferred inflows and deferred outflows of resources for the System are as follows:

Proportionate Share (%)				0.1366277508%
Deferred Inflows/Outflows of Resources	Deferred Outflows		Deferred Inflows	
Differences Between Expected and Actual Experience	$	223,191	$	48,984
Changes in Assumptions		699,567		2,443,205
Changes in Benefit Terms		-		-
Transactions subsequent to the measurement date		178,945		-
Changes in Proportion		401,367		302,791
Total Deferred (Inflows)/Outflows	**$**	**1,503,071**	**$**	**2,794,980**

Amounts currently reported as deferred inflows and deferred outflows of resources related to OPEB will be recognized as OPEB expense in subsequent years for the System as follows:

Proportionate Share (%)		**0.1366277508%**
2021	$	(234,704)
2022		(234,704)
2023		(234,704)
2024		(234,704)
2025		(234,705)
Thereafter	$	(2,146)

The change in the System's proportionate share of OPEB liability and deferred inflows and deferred outflows of resources based on measurement date are represented in the following table:

Proportionate Share (%) 2019		0.1720332946%
Proportionate Share (%) 2020		0.1366277508%
Total OPEB Liability - Ending 2019	$	9,984,570
Total OPEB Liability - Beg 2020 (chg in prop)		8,069,561
Total OPEB Liability Change in Proportion	$	(1,915,009)
Total Deferred (Inflows)/Outflows 2019 (chg in prop)		(1,547,627)
Total Deferred (Inflows)/Outflows 2020 (chg in prop)		(1,515,913)
Total Deferred Inflows/Outflows Change in Proportion	$	31,714
Total Change in Proportion	**$**	**(1,946,723)**

OPEB Expense

As of June 30, 2021, the components that make up OPEB expense for the System are as follows:

Proportionate Share (%)		**0.1366277508%**
Service Cost	$	349,364
Interest Cost		292,248
Ammortization of Differences Between Expected and Actual Experience		25,807
Ammortization of Changes in Assumptions		(274,465)
Changes of Benefit Terms		-
Amortization of Changes in Proportion		13,954
Other Changes to Fiduciary Net Position*		(297,676)
Total OPEB Expense	**$**	**109,231**

Actuarial Methods and Assumptions

Actuarial Assumptions

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate		2.75%
Projected Salary Changes	3.50% Plus Service-Based Salary Increases	
Health Care Trend Rates*	Initial rate ranges from about 2-11%, reaching an ultimate rate of approximately 4.3% in 2075.	
Post-retirement Participation Percentage		65.00%
Percentage with Spouse Coverage		45.00%

*For additional detail on the health care trend rates, please see Office of the State Actuary's 2020 OPEB Actuarial Valuation Report.

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 mortality rates, which vary by member status (eg, active, retiree, or survivor). The Office of the State Actuary (OSA) applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Under "generational" mortality, a member is assumed to receive additional mortality improvements in each future year, throughout their lifetime.

Most demographic actuarial assumptions, including mortality and when members are expected to terminate and retire, were based on the results of the 2013-2018 Demographic Experience Study Report. The post-retirement participation percentage and percentage with spouse coverage, were reviewed in 2017. Economic assumptions, including inflation and salary increases, were based on the results of the 2019 Report on Financial Condition and Economic Experience Study.

Actuarial Methodology

The total OPEB liability was determined using the following actuarial methodologies:

Actuarial Valuation Date	6/30/2020
Actuarial Measurement Date	6/30/2020
Actuarial Cost Method	Entry Age
Amortization Method	The recognition period for the experience and assumption changes is 9 years. This is equal to the average expected remaining service lives of all active and inactive members.
Asset Valuation Method	N/A - No Assets

The actuarial methodology used to determine the transactions subsequent to the measurement date were as follows:

Explicit Medicare Subsidy	Subsidy amounts are calculated at subscriber level, based on the benefit plan and enrollment tier selected, then summed over entire population to include Medicare retirees from the State, Higher Education , K-12, and Political Subdivision groups.
Implicit Medicare Subsidy	Subsidy amounts are calculated using the implicit subsidy rate* (difference betw een theoretical early retiree rates and composite rates** for non-Medicare risk pool) and the enrollment counts for early retirees.

*early retirees assumed to be 58% more expensive than non-Medicare risk pool as a whole on a per adult unit basis.

**calculated across non-Medicare risk pool for both self-insured and fully-insured plans using the PEBB Financial Projection Model (PFPM).

A retiree subsidy rate of $68.45 per member per month, used to calculate the transactions subsequent to the measurement date, is equal to the total subsidies received by current retirees (both explicit and implicit), divided by the number of current active subscribers. This amount is then allocated to the agency level based on the active, health care eligible employee headcount of each agency as of the measurement date.

Discount Rate

Since OPEB benefits are funded on a pay-as-you-go basis, the discount rate used to measure the total OPEB liability was set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index, or 3.50 percent for the June 30, 2019 measurement date and 2.21 percent for the June 30, 2020 measurement date.

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The following represents the total OPEB liability of CWU, calculated using the discount rate of 2.21 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21 percent) or 1 percentage point higher (3.21 percent) that the current rate (expressed in thousands):

Discount Rate Sensitivity
For the Fiscal Year Ended June 30, 2021

1% Decrease	Current Discount Rate	1% Increase
$ 10,016,653	$ 8,273,075	$ 6,915,450

Sensitivity of Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following represents the total OPEB liability of CWU as an employer, calculated using the health care trend rates
range of 2-11% reaching an ultimate range of 4.3%, as well as what the total OPEB liability would be if it were calculated using health care trend rates that are 1 percentage point lower (1-10%) or 1 percentage point higher (3-12%) than the current rate (expressed in thousands):

Health Care Rate Sensitivity
For the Fiscal Year Ended June 30, 2021

1% Decrease	Current Discount Rate	1% Increase
$ 6,741,677	$ 8,273,075	$ 10,326,193

Additional Information

Additional actuarial and OPEB plan information is included in the Washington State CAFR on OFM's website: https://www.ofm.wa.gov/accounting/financial-audit-reports/comprehensive-annual-financial-report. All other actuarial data, assumptions, and methods relied on for the preparation of this report for GASB Statement No. 75 can be found on Office of the State Actuary's website: http://leg.wa.gov/osa/additionalservices/Pages/OPEB.aspx

NOTE 10 – PENSION PLANS

During fiscal year 2015, the System adopted GASB Statement No.68—Accounting and Financial Reporting for Pensions. These changes in accounting policies for pensions are designed to improve transparency regarding pension obligations by requiring recognition of a liability equal to the net pension liability for the Systems's proportionate share of the Department of Retirement Systems (DRS) defined benefit plans. This standard requires recognition of pension expense using a systematic method, designed to match the cost of pension benefits with service periods for eligible employees, and to assist in paying for PERS1 and TRS1 future retiree costs. Because this was to be retroactively implemented, the System also restated its beginning 2015 fund balance. The System financial data is now presented in accordance with the new accounting standards described above.

Central Washington University Retirement Benefits

Substantially all full-time classified employees at CWU participate in the DRS retirement plans. CWU has a financial responsibility for pension benefits associated with its defined benefit plans, and the University's financial statements for 2019 have been updated to include the University's proportionate share of the State's pension liability. Pension liability is allocated to multiple funds, based on their proportionate share of covered compensation for the fiscal year.
Prior to adopting the pension accounting changes, the System reported pension expense based on cash contributions to DRS. All state employers are required to contribute at a rate set by the Washington State Legislature. Employer contribution rates were 12.97 percent for PERS1, 12.97 percent for PERS2, 15.74 percent for TRS and 8.77 percent for LEOFF2 in fiscal 2021. These pension accounting changes do not impact the System's requirements for making contributions to DRS.
During fiscal year 2021, the Cenral Washington University Retirement Plan, which was previously not held in a qualifying trust, was moved to a qualifying trust at the state of Washington, and therefore is now incorporated into the group of plans covered by GASB 68 .

Pension Plan Tables & Discussion

The following table represents the System's aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, Accounting and Financial Reporting for Pensions, for the years 2020-2021.

AGGREGATE PENSION AMOUNTS - TOTAL OF ALL PLANS - GASB 68

	Beginning Balance	FY 2021	Total
Pension Liabilities	$ 3,664,434	$ 550,854	$ 4,215,288
Pension Assets	497,731	(220,329)	277,402
Deferred outflows of resources	1,552,208	(63,181)	1,489,027
Deferred inflows of resources	**1,881,032**	**(1,045,145)**	**835,887**
Total	**$ 7,595,405**	**$ (777,801)**	**$ 6,817,605**
Pension Expense			**$ 108,875**

State Sponsored Pension Plans

Substantially all of the System's full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

Or the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

PERS Plan 1 provides retirement, disability, and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The PERS Plan 1 member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates for fiscal 2021 were as follows:

PERS PLAN 1

Actual contribution rates:	Employer	Employee
July 01, 2020 - June 30, 2021	12.97%	6.00%

The System's actual contributions to the plan were $667,938 or the year ended June 30, 2021.

PERS Plan 2/3 provides retirement, disability, and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return- to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions

The PERS Plan 2/3 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates for fiscal 2019 were as follows:

PERS PLAN 2/3

Actual contribution rates:	Employer 2/3	Employee 2*
July 01, 2020 - June 30, 2021	12.97%	7.90%
Employee PERS Plan 3	12.97%	Varies

The System’s actual contributions to the plan were $459,489 for the year ended June 30, 2021.

Law Enforcement Officers’ and Fire Fighters’ Retirement System (LEOFF)

LEOFF membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians. Central Washington University participates solely in LEOFF Plan 2.

LEOFF Plan 2 provides retirement, disability, and death benefits. Retirement benefits are determined as two percent of the final average salary (FAS) per year of service (the FAS is based on the highest consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost- of-living allowance (based on the CPI), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 2 members are vested after the completion of five years of eligible service.

Contributions

The LEOFF Plan 2 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate included an administrative expense component set at 0.18 percent.

Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. The LEOFF Plan 2 required contribution rates for fiscal 2019 were as follows:

LEOFF PLAN 2

Actual contribution rates:	Employer	Employee
July 01, 2020 - June 30, 2021	8.77%	8.59%

The System's actual contributions to the plan were $24,417 for the year ended June 30, 2021.

Teachers' Retirement System

Plan Description. The Legislature established the Teachers' Retirement System (TRS) in 1938. TRS retirement benefit provisions are established in chapters 41.32 and 41.34 RCW and may be amended only by the Legislature. Eligibility for membership requires service as a certificated public school employee working in an instructional, administrative, or supervisory capacity. TRS is comprised principally of non-state agency employees.

TRS is a cost-sharing, multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered a single defined benefit plan for reporting purposes. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. TRS members who joined the system by September 30, 1977, are a Plan 1 member. Plan 1 is closed to new entrants. Those who joined on or after October 1, 1977, and by June 30, 1996, are Plan 2 members unless they exercised an option to transfer their membership to Plan 3. TRS members joining the system on or after July 1, 1996 are members of TRS Plan 3. Legislation passed in 2007 gives TRS members hired on or after July 1, 2007, 90 days to make an irrevocable choice to become a member of TRS Plan 2 or Plan 3. At the end of 90 days, any member who has not made a choice becomes a member of Plan 3.

Contributions

The TRS Plan 1 member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The TRS Plan 1 required contribution rates for fiscal 2021 were as follows:

TRS PLAN 1

Actual contribution rates:	Employer	Employee
July 01, 2020 - June 30, 2021	15.74%	6.00%

The System's actual contributions to the plan were $0 for the year ended June 30, 2021.

Benefits Provided. TRS plans provide retirement, disability, and death benefits to eligible members.

TRS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement at any age after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is 2 percent of the average final compensation (AFC) for each year of service credit, up to a maximum of 60 percent. The AFC is the total earnable compensation for the two consecutive highest-paid fiscal years, divided by two.

TRS Plan 1 members may elect to receive an optional cost of living allowance (COLA) amount based on the Consumer Price Index, capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

TRS Plan 2 retirement benefits are vested after completing five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. A COLA is granted based on the Consumer Price Index, capped at 3 percent annually. TRS Plan 2 members have the option to retire early with reduced benefits. The AFC is the average of the member's 60 highest paid consecutive months.

The defined benefit portion of TRS Plan 3 provides members a monthly benefit that is 1 percent of the AFC per year of service. Plan 3 provides the same COLA as Plan 2. The AFC is the average of the member's 60 highest paid consecutive months.

TRS Plan 3 members are vested in the defined benefit portion of their plan after 10 years of service; or after five years of service, if 12 months of that service are earned after age 44; or after five service credit years earned in TRS Plan 2 by July 1, 1996. Plan 3 members are immediately vested in the defined contribution portion of their plan. TRS Plan 3 members have the option to retire early with reduced benefits.

TRS members meeting specific eligibility requirements, have options available to enhance their retirement benefits. Some of these options are available to their survivors, with reduced benefits.

From January 1, 2007 through December 31, 2007, judicial members of TRS were given the choice to elect participation in the Judicial Benefit Multiplier (JBM) program enacted in 2006. Justices and judges in TRS Plan 1 were able to make an irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit is capped at 75 percent of AFC.
Newly elected or appointed justices and judges who chose to become TRS members on or after January 1, 2007, were required to participate in the JBM Program.

Contributions

TRS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions.

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. The methods used to determine the contribution requirements are established under state statute.

Members in TRS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from TRS-covered employment.

As a result of the implementation of the Judicial Benefit Multiplier (JBM) program in January 2007, a second tier of employee rates was developed to fund the increased retirement benefits of those judges who participate in the program.

Central Washington University Retirement Plan

Plan Description

The Central Washington University Retirement Plan (CWURP), a single-employer 403(b) defined contribution plan administered by the University. To qualify as an eligible participant, an employee must be employed at least fifty percent of the normal full-time work load as a CWU faculty, civil service exempt staff, or other salaried employee. Contributions to the plan are invested in annuity contracts or mutual fund accounts in which employees have, at all times, a 100% vested interest in their accumulations. Benefits from fund sponsors are available upon separation or retirement at the member's option.

The number of participants in the CWURP as of June 30, 2021 was 28.

Funding Policy

Current mandatory contribution rates are set at 5% for employees under the age of 35, 7.5% for employees between the ages of 35 – 49, and 10% for employees 50 and above. Contribution rates are established and amendable by Central Washington University's board of trustees per RCW 28.B.14.400. Employer contributions for the year ended June 30, 2020 were $222,662.40.

Central Washington University Supplemental Retirement Plan

The Central Washington University Supplemental Retirement Plan (CWUSRP), a single employer 401(a) defined-benefit retirement plan administered by the university operates in tandem with the 403(b) plan to supplement the expected defined-contribution retirement savings accumulated under the CWURP. The CWUSRP was closed to new participants effective September 1, 1998. The plan has a supplemental payment component which guarantees a minimum retirement benefit to eligible retirees based upon a one-time calculation at the employee's retirement date. The University makes direct payments to qualifying retirees when the retirement benefits provided by the fund sponsors do not meet the benefit goals, no assets are accumulated in trusts or equivalent arrangements. To qualify as an eligible participant, an employee must be employed at least fifty percent of the normal full-time work load as a CWU faculty, civil service exempt staff, or other salaried employee.

Passing 2SHB 1661 created trust accounts for the contributions and investment returns, the fact that the passing of HB created new reporting under GASB 67/68 instead of 73, discount rate is now based on the long-term expected rate of return which reduced pension liability by almost 50% as the rate went from 2.21% to 7.4%. Also, the CREF investment experience for 2021 was significantly higher than expected, which also lead to the decrease in TPL. In addition, as part of the funding policy SRP benefits are not expected to pay benefits until 2035 when they have accumulated enough assets. Therefore, SRP benefits are paid out of the operating budgets at each of the higher education institutions on a pay as you go basis.

As of June 30, 2020 there were approximately 2 inactive employees receiving benefits, no inactive employee entitled but not yet reviving benefits, and 1 active employees participating in the CWUSRP plan. Participants of CWUSRP are considered vested once all of the following criteria are met: the participant has reached the age of 62 while employed at CWU or retires due to health and the participant has ten or more years of service. The monthly benefit amount due to the participant is one-twelfth of 2% of his or her average annual salary multiplied by the number of service years. If the participant retires early, the monthly benefit is reduced by .5% times the number of calendar months between the date of retirement and the normal retirement age. Benefit payments made during the fiscal year ending June 30, 2021 were $15,348.

Total Pension Liability (TPL)

The total pension liability is based on an actuarial valuation performed as of June 30, 2018 using the entry age actuarial cost method. Any assets considered to offset the total pension liability are not held in an irrevocable trust. As such, the total pension liability is shown on the balance sheet under GASB 73 as opposed to the net pension liability reported for GASB 68. Procedures performed by the Office of the

State Actuary were used to roll forward the total pension liability to the measurement date of June 30, 2019. The CWUSRP pension expense for the fiscal year ending June 30, 2021 was $6,013.

Development of Net Pension Liability		
Service cost		2,944
Interest		7,440
Changes in Benefit Terms		-
Differences between expected and actual experience		(55,147)
Changes in assumptions[1]		(95,254)
Benefit payments		(18,581)
Other		50,298
Net Change in Total Pension Liability		(108,300)
Total Pension Liability - Beginning	$	299,090
Total Pension Liability - Ending (a)		**190,790**
Plan Fiduciary Net Position		
Contributions - Employer		6,883
Contributions - Member		-
Net investment Income		35,571
Benefit payments		-
Administrative Expense		-
Other		
Net Change in Plan Fiduciary Net Position		42,454
Plan Fiduciary Net Position - Beginning		99,193
Plan Fiduciary Net Position - Ending (b)		141,648
Plan's Net Pension Liability (Asset) - Ending (a) - (b)		**49,143**
TPL Interest Rate Sensitivity Discount Rate		42,773
TPL Interest Rate Sensitivity 1% Decrease		56,938
TPL Interest Rate Sensitivity 1% Increase	$	30,319

Deferred Inflows And Deferred Outflows

At June 30, 2021, the CWUSRP plan reported a deferred inflow of resources from the following sources.

DEFERRED INFLOWS/OUTFLOWS OF RESOURCES

		Deferred Outflows		Deferred Inflows
Differences between expected and actual experience	$	1,665	$	24,415
Changes in assumptions		5,470		42,171
Differences between Projected and Actual Earnings on Pl	$	-	$	22,274
Total		7,134		88,860

Amortization of Deferred Inflows and Deferred Outflows

The amount of future transactions are summarized in the table below.

Amount of Future Transactions	
2022	$ (65,293)
2023	(5,610)
2024	(5,610)
2025	(5,610)
2026	-
Thereafter	-
Total	$ (82,124)

Actuarial Assumptions

The total pension liability (TPL) for each of the plans was determined using the most recent actuarial valuation completed in 2019 with a valuation date of June 30, 2018. The actuarial assumptions used in the valuation are summarized in the Actuarial Section of DRS's Comprehensive Annual Financial Report located on the DRS employer-resource GASB webpage. These assumptions reflect the results of OSA's 2007-2012 Experience Study and the 2017 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2018 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2019. Plan liabilities were rolled forward from June 30, 2018, to June 30, 2019, reflecting each plan's normal cost (using the entry age cost method), assumed interest and actual benefit payments.

- Inflation: 2.75% total economic inflation; 3.50% salary inflation
- Salary Increases: In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- Investment rate of return: 7.40%

Mortality rates were based on the RP-2000 report's "Combined Healthy Table" and "Combined Disabled Table." The Society of Actuaries published the document. OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100% Scale BB.

Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout the member's lifetime.

Discount Rate

The discount rate used to measure the total pension liability was 7.40% for all plans included in this publication. To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members.

Consistent with current law, the asset sufficiency test included an assumed 7.50% long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.50% except LEOFF Plan 2, which has assumed 7.40%.)

Consistent with the long-term expected rate of return, a 7.40% future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS Plans 2 and 3, PSERS Plan 2, SERS Plans 2 and 3, and TRS Plans 2 and 3 employers, whose rates include a component for the PERS Plan 1 or TRS Plan 1 liability). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.40% was used to determine the total liability.

Sensitivity of NPL

The table below presents the net pension liability of employers, calculated using the discount rate of 7.40% as well as what employers' net pension liability would be if it were calculated using a discount rate 1 percentage point lower (6.40%) or 1 percentage point higher (8.40%) than the current rate.

Sensitivity of NPL

	SYSTEM Allocation %	1% Decrease 6.40%	Current Rate 7.40 %	1% Increase 8.4%
PERS1	0.100857%	$ 4,460,081	$ 3,560,782	$ 2,776,500
PERS 2/3	0.055018%	4,378,297	703,650	(2,322,425)
LEOFF 2	0.013599%	$ (5,492)	$ (277,402)	$ (500,043)

Long-Term Expected Rate of Return

OSA selected a 7.40% long-term expected rate of return on pension plan investments using a building-block method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the WSIB provided.

The CMAs contain three pieces of information for each class of assets WSIB currently invests in:

- Expected annual return
- Standard deviation of the annual return
- Correlations between the annual returns of each asset class with every other asset class

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class

The table below summarizes the best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020.

The inflation component used to create the table is 2.20% and represents the WSIB's most recent long-term estimate of broad economic inflation.

Estimated Rates of Return by Asset Class

Asset Class	Target Allocation	% Long - Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	2.20%
Tangible Assets	7%	5.10%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, The System reported a total pension liability of $4,264,431 and an asset of $227,402 for its proportionate share of the net pension balances as follows:

PENSION PLAN FIDUCIARY NET POSITION

Plan	Liability	(Asset)
PERS1	$ 3,560,782	
PERS 2/3	703,650	
TRS 1		
TRS 2/3		
LEOFF 2		(277,402)
	$ 4,264,431	$ (277,402)

SCHEDULE OF PROPORTIONATE SHARE - LEOFF 2

	Liability (or Asset)
LEOFF 2 - employer's proportionate share	$ (277,402)
LEOFF 2 - State's proportionate share of the net pension liability/(asset) associated with the employer	(177,378)
Total	**$ (454,780)**

At June 30, 2020 the System's proportionate share of the collective net pension liabilities was as follows:

Plan	Proportionate Share 06/30/2019	Proportionate Share 06/30/2020	Change In Proportion
PERS1	0.1035005%	0.1008566%	-0.0026439%
PERS 2/3	0.0553440%	0.0550181%	-0.0003260%
TRS 1	0.0000000%	0.0000000%	0.0000000%
TRS 2/3	0.0000000%	0.0000000%	0.0000000%

Plan	Proportionate Share 06/30/2019	Proportionate Share 06/30/2020	Change In Proportion
LEOFF 2	0.0131815%	0.0135991%	0.0004176%

At June 30, 2020 the System's proportionate share of the collective net pension assets was as follows:

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the Schedules of Employer and Non-employer Allocations for all plans except LEOFF 1, a plan the University does not utilize.

In fiscal year 2021, the state of Washington contributed 39.00 percent of LEOFF 2 employer contributions pursuant to RCW 41.27.726 and all other employers contributed the remaining 61.00 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2020, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2020, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended June 30, 2019, Central Washington University recognized a net pension expense as follows:

Plan	Pension Expense
PERS1	$56,750
PERS 2/3	59,429
TRS 1	
TRS 2/3	
LEOFF 2	($7,304)
Total	**$108,875**

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2020, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
Net difference between projected and actual investment earnings on pension plan investments		$ (19,825)
Changes of assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	$ 667,938	
Total	**$ 667,938**	**$ (19,825)**

PERS 2/3

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 251,896	$ (88,184)
Net difference between projected and actual investment earnings on pension plan investments	0	(35,735)
Changes of assumptions	10,022	(480,654)
Changes in proportion and differences between contributions and proportionate share of contributions	22,383	(45,175)
Contributions subsequent to the measurement date	$ 459,489	
Total	**$ 743,790**	**$ (649,748)**

LEOFF 2

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 38,383	$ (4,920)
Net difference between projected and actual investment earnings on pension plan investments	0	(3,092)
Changes of assumptions	402	(42,954)
Changes in proportion and differences between contributions and proportionate share of contributions	6,963	(26,489)
Contributions subsequent to the measurement date	$ 24,417	
Total	**$ 70,165**	**$ (77,455)**

Deferred outflows of resources related to pensions resulting from the University's contributions subsequent to the measurement date have been recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

TOTALS (EXCLUDING CONTRIBUTIONS SUBSEQUENT TO THE MEASUREMENT DATA)

	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2
	Yearly Amortization	Yearly Amortization	Yearly Amortization	Yearly Amortization	Yearly Amortization
2021	$ (89,967)	$ (296,245)			$ (22,202)
2022	(2,830)	(74,064)			(4,884)
2023	27,451	8,233			1,966
2024	45,520	56,143			7,142
2025	-	(26,690)			(4,004)
Thereafter	-	(32,823)			(9,726)
Total Net Deferred (Inflows)/Outflows	$ (19,825)	$ (365,447)	$ $ -	-	$ (31,707)

NOTE 12 – SUBSEQUENT EVENT DISCLOSURE

The following events and transactions occurred subsequent to June 30, 2021:

- On July 22, 2021 Central Washington University redeemed $3.4 million in callable taxable bonds (2010 B Bond Series). Funding for redemption was issued through an internal loan provided by the University.
- In February of 2020, the Governor of the state of Washington declared a state of emergency in response to the COVID-19 pandemic. The full impact of the COVID-19 pandemic on CWU and the regional economy is uncertain. CWU cannot predict the duration and extent of the COVID-19 public health emergency, or quantify the magnitude of the impact on the regional and local economy or on the revenues and expenses. CWU will continue to monitor the evolving situation and respond as needed.

Appendix

REQUIRED SUPPLEMENTARY INFORMATION (RSI)

Notes to RSI

Methods and assumptions used in calculations of actuarial determined contributions for PERS, TRS and LEOFF – The Office of the State Actuary (OSA) calculates the Actuarially Determined Contributions (ADC) based on the results of an actuarial valuation consistent with the state's funding policy defined under Chapter 41.45 RCW. Consistent with the state's contribution rate adoption process, the results of an actuarial valuation with an odd-numbered year valuation date determine the ADC for the biennium that ensues two years later. For example, the actuarial valuation with a June 30th, 2015 valuation date, completed in the Fall of 2016, determines the ADC for the period beginning July 1st, 2017 and ending June 30th, 2020.

Under GASB Statement 68, government entities that participate in one or more of the State's cost-sharing, multiple employer pension plans (PERS, SERS, PSERS, TRS, and LEOFF) must present an RSI:

- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Employer Contributions

These are 10-year schedules. Until a full 10-year trend is compiled, CWU is presenting information only for those years for which information is available.

Passing 2SHB 1661 created trust accounts for the contributions and investment returns, the fact that the passing of HB created new reporting under GASB 67/68 instead of 73, discount rate is now based on the long-term expected rate of return which reduced pension liability by almost 50% as the rate went from 2.21% to 7.4%. Also, the CREF investment experience for 2021 was significantly higher than expected, which also lead to the decrease in TPL. In addition, as part of the funding policy SRP benefits are not expected to pay benefits until 2035 when they have accumulated enough assets. Therefore, SRP benefits are paid out of the operating budgets at each of the higher education institutions on a pay as you go basis.

GASB 68 RSI | SCHEDULE OF PROPORTIONATE SHARE OF SYSTEM NET PENSION LIABILITY PERS 1

AS OF JUNE 30,

(in Thousdands)	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	0.100857%	0.050338%	0.050856%	0.055280%	0.047874%	0.037144%	0.033128%
Employer's proportionate share of the net pension liability	$ 3,561	$ 1,936	$ 2,271	$ 2,623	$ 2,571	$ 1,943	$ 1,669
Total	**3,561**	**1,936**	**2,271**	**2,623**	**2,571**	**1,943**	**1,669**
Employer's covered employee payroll	$ 14,909	$ 14,314	$ 6,981	$ 5,883	$ 5,558	$ 3,394	$ 2,954
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	23.88%	13.52%	32.54%	44.59%	46.26%	57.25%	56.49%
Plan fiduciary net position as a percentage of the total pension liability (State)	68.64%	67.12%	63.22%	61.24%	57.03%	59.10%	61.19%

GASB 68 RSI | SCHEDULE OF SYSTEM EMPLOYER CONTRIBUTIONS PERS 1

AS OF JUNE 30,

(in Thousdands)	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily or contractually required contributions	$ 668	$ 351	$ 364	$ 361	$ 332	$ 275	$ 169	$ 145
Contributions in relation to the statutorily or contractually required contributions	-668	-351	-364	-361	-332	-275	-169	-145
Contribution deficit (excess)			0	0	0	0	0	0
Covered employee payroll	$ 13,595	$ 14,909	$ 14,314	$ 6,981	$ 5,883	$ 5,558	$ 3,394	$ 2,954
Contributions as a percentage of covered employee payroll	4.91%	2.36%	2.54%	5.17%	5.64%	4.94%	4.97%	4.92%

GASB 68 RSI | SCHEDULE OF PROPORTIONATE SHARE OF SYSTEM NET PENSION LIABILITY PERS 2/3

AS OF JUNE 30,

(in Thousdands)	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	0.055018%	0.069293%	0.065124%	0.063298%	0.060728%	0.063692%	0.066725%
Employer's proportionate share of the net pension liability	$ 704	$ 673	$ 1,112	$ 2,199	$ 3,058	$ 2,276	$ 1,349
Total	**704**	**673**	**1,112**	**2,199**	**3,058**	**2,276**	**1,349**
Employer's covered employee payroll	$ 6,360	$ 5,703	$ 6,386	$ 6,037	$ 5,684	$ 5,654	$ 5,744
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	11.06%	11.80%	17.41%	36.43%	53.79%	40.25%	23.48%
Plan fiduciary net position as a percentage of the total pension liability (State)	97.22%	97.77%	95.77%	90.97%	85.82%	89.20%	93.29%

GASB 68 RSI | SCHEDULE OF SYSTEM EMPLOYER CONTRIBUTIONS PERS 2/3

AS OF JUNE 30,

(in Thousdands)	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily or contractually required contributions	$ 459	$ 631	$ 535	$ 475	$ 378	$ 353	$ 294	$ 295
Contributions in relation to the statutorily or contractually required contributions	-459	-631	-535	-475	-378	-353	-294	-295
Contribution deficit (excess)		0	0	0	0	0	0	0
Covered employee payroll	$ 5,812	$ 6,360	$ 5,703	$ 6,386	$ 6,037	$ 5,684	$ 5,654	$ 5,744
Contributions as a percentage of covered employee payroll	7.91%	9.91%	9.39%	7.44%	6.25%	6.21%	5.21%	5.13%

GASB 68 RSI | SCHEDULE OF PROPORTIONATE SHARE OF SYSTEM NET PENSION LIABILITY LEOFF 2

AS OF JUNE 30,

(in Thousdands)	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	0.013599%	0.021485%	0.014618%	0.013852%	0.019390%	0.019784%	0.017172%
Employer's proportionate share of the net pension liability (asset)	-$ 277	-$ 498	-$ 297	-$ 192	-$ 113	-$ 203	-$ 228
Total	**-277**	**-498**	**-297**	**-192**	**-113**	**-203**	**-228**
Employer's covered employee payroll	$ 310	$ 298	$ 256	$ 365	$ 354	$ 345	$ 288
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	-89.36%	-167.00%	-115.82%	-52.71%	-31.88%	-58.93%	-79.25%
Plan fiduciary net position as a percentage of the total pension liability (State)	115.83%	148.78%	144.42%	113.36%	106.04%	111.67%	116.75%

GASB 68 RSI | SCHEDULE OF SYSTEM EMPLOYER CONTRIBUTIONS LEOFF 2

AS OF JUNE 30,

(in Thousdands)	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily or contractually required contributions	$ 24	$ 43	$ 31	$ 22	$ 31	$ 29	$ 29	$ 24
Contributions in relation to the statutorily or contractually required contributions	-24	-43	-31	-22	-31	-29	-29	-24
Contribution deficit (excess)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Covered employee payroll	$ 284	$ 310	$ 298	$ 256	$ 365	$ 354	$ 345	$ 288
Contributions as a percentage of covered employee payroll	8.59%	14.00%	10.35%	8.74%	8.49%	8.32%	8.45%	8.46%

GASB 68 RSI | SCHEDULE OF NET PENSION LIABILITY AND RELATED RATIOS - SUPPLEMENTAL PLAN

	2021	2020	2019	2018	2017
Total Pension Liability - Beginning	**$ 299,090**	**$ 228,251**	**$ 275,379**	**$ 287,774**	**$ 348,292**
Service cost	2,944	2,384	2,177	3,089	5,057
Interest	7,440	11,151	10,456	10,150	9,878
Changes in Benefit Terms		-	-	-	-
Differences betw een expected and actual experience	(55,147)	14,714	(25,372)	(15,820)	(42,815)
Changes in assumptions	(95,254)	62,314	15,273	(9,234)	(20,767)
Benefit payments	(18,581)	(20,122)	(14,666)	(13,986)	(13,856)
Other	(91,349)	398	-	-	-
Total Pension Liability - Ending	**$ 49,143**	**$ 299,090**	**$ 263,282**	**$ 261,974**	**$ 285,787**
Covered-Employee Payroll	413,037	295,541	319,450	351,974	371,789
Total Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	11.90%	101.20%	82.42%	74.43%	76.87%

GASB 68 RSI | SCHEDULE OF EMPLOYER CONTRIBUTIONS SUPPLEMENTAL PLAN

AS OF JUNE 30,	2021
(In Thousands)	
Statutorily or contractually required contributions	$ 7
Contributions in relation to the statutorily or contractually required contributions	(7)
Contribution deficit (excess)	-
Employer's covered payroll	$ 413
Contributions as a percentage of covered payroll	1.67%

GASB 75 RSI | SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

PEBB FOR YEAR ENDED JUNE 30,

SYSTEM	**2020**	**2019**	**2018**	**2017**
Proportionate Share (%)	**0.1366277508%**	**0.1720332946%**	**0.1666404980%**	**0.1638955331%**
Service Cost	$ 349,364	$ 404,281	$ 529,124	$ 647,314
Interest Cost	292,248	350,691	363,770	303,206
Differences Between Expected and Actual Experience	(44,784)	-	332,051	-
Changes in Assumptions	189,442	653,078	(2,316,425)	(1,479,043)
Changes of Benefit Terms	-	-	-	-
Benefit Payments	(139,144)	(160,420)	(153,638)	(154,519)
Changes in Proportionate Share	(168,819)	273,881	159,917	(150,223)
Other	(297,676)	-	-	-
Net Change in Total OPEB Liability	180,631	1,521,510	(1,085,203)	(833,265)
Total OPEB Liability - Beginning	9,984,570	8,463,060	9,548,263	10,381,528
Total OPEB Liability - Ending	**$ 10,165,201**	**$ 9,984,570**	**$ 8,463,060**	**$ 9,548,263**
Covered-Employee Payroll	12,291,374	11,441,517	9,746,338	8,763,032
Total OPEB Liability as a percentage of covered-employee Payroll	82.70190949%	87.26614215%	86.83322779%	108.96072125%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